



THE BOARD OF THE ARTS UNIVERSITY BOURNEMOUTH HIGHER EDUCATION CORPORATION

DATE: 12 AUGUST 2021

ANNUAL REMUNERATION REPORT 2020/2021

1. Introduction

- 1.1 The Remuneration Committee (RemCom) provides an annual remuneration report to the Board of Governors as part of its remit to provide assurance to the Board on the conditions of service and remuneration of the University's Senior Postholders.
- 1.2 Senior postholders¹ are defined as those AUB staff who are remunerated outside of the national Framework Agreement and JNCHES process.
- 1.3 This annual remuneration report complies with the requirements of the Committee of University Chairs' (CUC) Higher Education Senior Staff Remuneration Code 2018.

2. Remuneration Committee Terms of Reference

- 2.1 The Terms of Reference for AUB's RemCom are located on the University's [intranet](#) and [website](#).
- 2.2 The following served on RemCom for 2020-21:

¹ AUB's Senior Postholders in 2019-20: Principal and Vice-Chancellor, Deputy Vice-Chancellor, Chief Operating Officer, Dean of the School of Art, Design and Architecture, Dean of the School of Media and Performance, Dean of the Graduate School and Research, University Secretary, and Director of Finance

- Mike Gibson (Chair of the RemCom, Vice Chair of the Board of Governors and Chair of the Finance & Resources Committee)
- Dorothy MacKenzie (Chair of the Board of Governors)
- Gerard Moran (Independent Governor)
- Michael Clarke (Independent Governor and Chair of the Audit & Risk Committee)
- Prue Keely-Davies (Independent Governor and Chair of the Human Resources Committee)

3 The Business of the Remuneration Committee

- 3.1 The RemCom meets once a year at the end of the summer term. Other meetings can be arranged as deemed necessary by the Chair of the RemCom.
- 3.2 Salaries of Senior Postholders are approved at the summer term RemCom meeting. In considering recommendations for salary increases for Senior Postholders, the RemCom takes into account line manager reports and individual performance against objectives for the review period, changes in job responsibilities, internal equity and external benchmarking.
- 3.3 The dates of the RemCom meetings, records of attendance and minutes are located on the University's [website](#).
- 3.4 The University's Remuneration Framework is located on the University's [intranet](#) and [website](#).

4 Guiding Principles of Remuneration at AUB

- 4.1 AUB recognises the need for highly talented, competent, committed and motivated employees, to deliver its strategic plan for the benefit of students, staff, the community and the economy at large. AUB must reward and recognise employees competitively, appropriately and fairly.
- 4.2 Remuneration:
- must be competitive and take account of the commercial pressures of the HE marketplace through relevant benchmarking, where required. Benchmarking against the HE sector will take into account the performance of the University within its peer group, which we define as Post-92 Institutions with a turnover of £24-£70 million income.
 - will be determined fairly and objectively with due consideration of remuneration throughout the University the wider higher education sector.
 - will be linked to the imperatives of the Strategic Plan, and viewed as a total remunerations package comprising pay and non-pay benefits.

- decisions for Senior Postholders are approved by the University's RemCom and will match the individual's role and level of performance as delivered against their individual annual objectives.

4.3 The salary and benefits of Senior Postholders are determined by taking into account the line manager reports on individual performance against objectives for the relevant review year, any changes in job responsibilities, internal equity and external benchmarking of compensation. Benchmarking information for comparable roles both within and outside the higher education sector will be considered as deemed appropriate by the Head of HR and Chair of the RemCom.

4.4 Other benchmarking data for comparable roles outside the higher education sector may be considered if relevant. The information provided to the RemCom on an annual basis makes clear, for each Senior Postholder, what the current salary against benchmark is and the reasons for any difference in the benchmarking.

5 Remuneration Approach for other AUB Staff

5.1 The University and Colleges Employers' Association (UCEA) works with the sector trade unions as part of the Joint Negotiating Committee for Higher Education Staff (JNCHES), which negotiates the annual cost of living, increase applicable to the salary points within the Framework Agreement.

5.2 As part of the JNCHES process, the salary points for the following year are decided in the form of an annual cost of living increase. If applicable, a new salary scale takes effect on 1 August each year.

5.3 In addition, for those staff aligned to the salary scale, incremental progression is available which is subject to satisfactory performance as evaluated by the line manager. Incremental progression to the top of the individual's job grade point is applicable once a year and effective from 1 August.

5.4 The University utilises the Hay Guide Chart - Profile Method job evaluation scheme, a widely used and recognised job evaluation framework that assesses job roles against a points-based range of criteria, to ensure job descriptions are remunerated fairly and equally. This method provides an evaluated way of aligning jobs to the University's salary scale.

6. Pensions

6.1 AUB has a statutory duty to enrol all staff into a pension scheme automatically. The Teachers' Pension Scheme applies to academic staff and the Local Government Pension Scheme applies to professional services staff.

6.2 A non-consolidated cash payment, equivalent to the level of pension contribution that would otherwise be made, adjusted to ensure cost neutrality for the University, may be paid in the event that an employee has accrued the maximum level of tax-efficient pension savings. Such payment, which would be subject to tax and national insurance deductions, would be subject to the individual taking professional advice, proof of pension savings, and AUB receiving confirmation by an Independent Financial Adviser that withdrawing from the relevant pension scheme is appropriate.

7 Pay Ratio

7.1 AUB is required to provide two pay ratios of the Principal and Vice-Chancellor's (VC) salary against the median salary of all staff, in accordance with the requirements of the Office for Students.

7.2 The first pay ratio is a basic salary ratio, which is based on the VC's salary as a ratio of the median basic salary of all staff, expressed as a full time equivalent. The second pay ratio is a total remuneration ratio, which is based on the VC's total remuneration as a ratio of the median total remuneration of all staff, expressed as a full time equivalent. At AUB, because there are no dividends, performance related pay, bonus payments or market supplements this ratio includes employer pension contributions and payments in lieu of pension contributions as well as private medical insurance.

7.3 The following table sets out the pay ratios over a three-year period:

Year	Basic Pay Ratio	Total Remuneration Ratio
2020-21	7.06	7.23
2019-20	7.89	8.39
2018-19	6.42	6.82

8 Institutional Performance 2020-21

8.1 Institutional achievements over the past year are summarised as follows:

- Maintained core business throughout the Covid-impacted academic year
- Embedded and developed the new AUB Strategy
- Launched several of the new AUB Strategic Initiatives, including AUB Open Campus
- Embedded several enabling plans: Portfolio, Place and People
- Sustained strong in-year retention of students 98.6%
- Named as UK's Top Specialist Arts University in Sunday Times Good University Guide

- Growth in overall course applications and attendance at Open Days
- Largest intake of undergraduate students planned for October 2021 commencement
- Completion on budget of Campus Halls major project
- Completion of purchase of Palace Court Theatre
- First year of new Facilities Management and commencement of service
- Building on five-year Environmental Programme and achieving Platinum Eco Campus recognition by developing UN SDG scheme
- Mitigated impact of international offshore recruitment through rebalanced home targets and targeted reduction in operating costs
- Investment in new blood positions in line with new Strategy
- Appointment and commencement of new Chair of the Board of Governors and successful recruitment of a diverse membership

9 Special Payments

9.1 The University does not operate a performance pay scheme; however, its Remuneration Framework does have a provision for special payments, which sometimes may be required to reflect an employee's outstanding performance or significant additional responsibility. This would be recognised in the following ways:

9.1.1 Non-consolidated bonus. Outstanding performance may be rewarded by the award of a one-off payment. Where it is used, the payment will be directly linked to outstanding performance in the achievement of strategic, financial and non-financial objectives which are linked to the achievement of the Strategic Plan, and which is outside of the normal day-to-day responsibilities of the individual.

9.1.2 Temporary Responsibility Allowance. A payment for additional responsibilities paid as an honorarium where the additional responsibility is being undertaken for a period of no less than three months.

9.2 The University did not award any special payments to AUB staff for the 2019-20 period.

10. Performance and remuneration of the Principal and Vice Chancellor

10.1 In deciding the remuneration recommendation for the VC, the Committee considered:

- a. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within Post 92 institutions with income of £24-£70 million.
- b. Internal compensation equity to other AUB Senior Postholders.
- c. Organisational and individual performance against objectives as provided by the previous Chair of the Board.
- d. The HE Sector national pay negotiations outcome from the 2021-22 New JNCHES negotiation process.

e. The extraordinary circumstances of the previous year and AUB's success; for example with student recruitment and retention.

10.2 Taking all factors into account, the Committee decided that the VC's salary would remain the same however, in recognition of AUB's ongoing success through the extraordinary circumstances of the previous year, a one-off payment equal to 1% of annual salary would be paid in the October 2021 salary. This equates to £2,250.00 and is subject to the standard national insurance and tax deductions.

10.3 The following table sets out the remuneration of AUB's VC over the past two years:

Remuneration of the Principal and Vice-Chancellor	2020-21	2019-20	2018-19
Salary	£225,000.00	£225,000.00	£198,579.00
Pay in Lieu of Pension	£46,819.00	£46,819.00	£41,321.00
Total	£271,819.00	£271,819.00	£239,900.00

10.4 In addition, the VC is provided with joint cover level private medical insurance at an annual cost of £3,815.00.

11 AUB Staff Remunerated at £100,000 and above

11.1 The following table shows the number of staff, per salary banding, earning the relevant salary in the reporting period:

Salary Band	Number of Staff
£111,000 - 120,000	0
£121,000 – 130,000	0
£131,000 - 140,000	1

12. External Appointments and Expenses

12.1 Staff may represent the University on various bodies and boards and carry out academic, professional and civic responsibilities at other organisations. Where such appointments occur the University requires that the employee follows University Policy, in the first instance obtaining authorisation from the line manager for the activity.

- 12.2 The University's Principal and Vice-Chancellor is not expected to retain benefits and/or payments for such activities and did not receive any such payment in 2020-21.
- 12.3 All staff are required to adhere to the University's policy² in respect of the receipt of payment for expenses incurred in the course of University business.

² AUB's Travel, Subsistence and Entertaining Policy is located on the [University's Intranet](#)